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STATEMENT OF

HONORABLE WILLIAM CLEMENTS
DEPUTY SECRETARY OF DEFENSE

BEFORE THE

SENATE ARMED SERVICES COMMITTEE

27 JUNE 1973

Mr. Chairman and Distinguished Members of the Committee:

It is a privilege to appear today before this committee to support the request for a \$1.6 billion authorization for FY 1974 to support the military forces of South Vietnam and Laos.

Since last year when this committee addressed the Military Assistance Service Funded (MASF) portion of the Defense Budget, dramatic changes have taken place in Southeast Asia. The United States and the three Vietnamese parties signed "The Agreement on Ending the War and Restoring Peace in Vietnam" on 27 January and the President was able to note in his recent report on Foreign Policy:

- Our military forces have left South Vietnam with honor.
- Our prisoners have returned to their homes and families. A full accounting for all those missing in action is stipulated.
- There is a cease-fire, though still imperfectly observed, in Vietnam and Laos.
- The South Vietnamese people have the opportunity to determine their own political future.

On February 21, another important agreement was signed between the Royal Lao Government and the Lao Communist faction--the Lao Patriotic Front. This agreement, signed in Vientiane, was a strictly internal Lao affair which has not been fully implemented but has resulted in a fairly stable cease-fire thus far.

Finally, on June 13 in Paris, the United States and North Vietnam reaffirmed the earlier Vietnam Agreements. The four parties to the Paris Communiqué agreed to return their military forces to positions occupied

at the time of the ceasefire, not to accept the introduction of war materiel in South Vietnam except a one-for-one replacement, to be forthcoming regarding MIA personnel, faithfully to pursue political reconciliation, and to implement scrupulously Article 20 of the January Agreement regarding Cambodia and Laos.

Thus we can see that the United States, South Vietnam and Laos have been able to negotiate agreements which provide the basis for peace in Southeast Asia, but we are all aware that these Agreements have been flagrantly violated by the other side. It is therefore premature to state that North Vietnam has reached the conclusion that her best interests are served by strict compliance with the Paris statements and through observance of the Vientiane Agreement.

The Chairman of the Joint Chiefs, Admiral Moorer, will follow my statement with a military assessment of the situation in Southeast Asia. He will clearly outline the nature of the continuing threat to peace in that region. I want to say, however, that because of the threat and the constant cease-fire violations, this is no time to lessen our support for the military forces of our allies in South Vietnam and Laos.

The President's Budget submission of last January contained a request for authorization of an overall \$2.1 billion Military Assistance Service Funded (MASF) ceiling for FY 1974. This included a request for \$1.9 billion in New Obligational Authority. Since that time, we have reassessed the situation in Southeast Asia in light of the cease-fire agreements and during the last several weeks, subsequent to the Paris Communique of 13 June, have twice reduced our overall MASF request to a \$1.6 billion ceiling with \$1.2 billion in New Obligational Authority. In other words, we have reduced our request by \$500 million in ceiling and \$700 million in

NOA. And as your back-up documents show, this \$1.2 billion NOA request is apportioned roughly as \$1.1 billion for South Vietnam and \$100 million for support of Lao military forces.

The reductions have been made possible because of reduced levels of activity in South Vietnam and Laos and are based upon classified assumptions and projections which are contained in correspondence in the hands of the Committee.

As the Committee is aware, there is currently a bill pending, S-1443, which would eliminate MASF (i.e., Defense Budget) support for South Vietnam and Laos and would instead require these two countries to be supported under Foreign Assistance or MAP--Military Assistance Program--procedures. The Administration strongly opposes this measure because of the risks involved and because it would not be a practical move at this critical juncture.

Military Assistance Program appropriations do not provide the necessary levels of financing nor the "surge" or flexible response capabilities so necessary to meet unexpected or sustained military operational needs. A change from MASF to MAP for South Vietnam and Laos would not be just a bookkeeping exercise. It would be a restrictive and inflexible procedure to impose at this time when it is so important to have available a responsive and flexible method to insure the stability of the cease-fire agreements which are still in a coalescing period.

We consider it essential to retain South Vietnam and Laos under MASF procedures within the Defense Department budget for FY 1974. I believe this is a reasonable request. We are only five months into a fragile cease-fire in South Vietnam and Laos, and we are very hopeful of a similar arrangement in Cambodia. This is clearly not the time to pre-

capitously drop our support for the 1.1 million men in the Armed Forces of South Vietnam and the 70,000 men in the Royal Lao Armed Forces.

We frequently hear these days about the sending and receiving of diplomatic or international affairs signals. I believe that further changes to our already greatly reduced MASF budget request would send a loud and clear signal to Hanoi. It would signal a reduction of support to our Allies of strategic significance. It is just this kind of action which we must avoid in order to help preserve the tenuous balance we have achieved in Laos and South Vietnam. To do otherwise would be to invite another large scale North Vietnamese offensive and all of its tragic consequences.

Mr. Chairman, I strongly urge the Committee's support of our Military Assistance Service Funded request for Fiscal Year 1974. And now, I would ask that you hear Admiral Moorer.